



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0029	Title:	Increase funding for senior and disabled transportation account
Primary Sponsor:	French, Julie	Status:	As Introduced

- | | | |
|---|--|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$329,779	\$322,857	\$312,107	\$309,329
State Special Revenue	\$329,779	\$322,857	\$312,107	\$309,329
Revenue:				
State Special Revenue (Transfers)	\$329,779	\$322,857	\$312,107	\$309,329
Net Impact-General Fund Balance:	<u><u>(\$329,779)</u></u>	<u><u>(\$322,857)</u></u>	<u><u>(\$312,107)</u></u>	<u><u>(\$309,329)</u></u>

Description of fiscal impact:

HB 29 increases the general fund transfer to the state special revenue fund for transit systems for people with disabilities and senior citizens.

FISCAL ANALYSIS

Assumptions:

1. HB 29 increases the percent of general fund revenue dedicated to the state special revenue account for transportation services for senior citizens and people with disabilities from 0.30% to 0.59%.
2. The revenue base for the distributions are the HJR 2 revenue estimates for motor vehicle taxes and fees for FY 2010 and FY 2011. Revenue for FY 2012 and FY 2013 are projections from HJR2 revenue from FY 2011 based on the Office of Budget and Program Planning (OBPP) motor vehicle revenue estimate growth rates for FY 2012 (-3.33%) and FY 2013 (-0.89%).
3. The current law (0.30%) and HB 29 (0.59%) fiscal year transfers, and the difference between the two distributions are presented in the following table:

Change in Transfers to the Transportation Services Account under HB29				
	FY 2010	FY 2011	FY 2012	FY 2013
Motor Vehicle Taxes and Fees	\$113,717,000	\$111,330,000	\$107,623,000	\$106,665,000
Current Distribution (0.30%)	\$341,151	\$333,990	\$322,869	\$319,995
HB 29 Distribution (0.59%)	\$670,930	\$656,847	\$634,976	\$629,324
Difference	\$329,779	\$322,857	\$312,107	\$309,329

4. Grant expenditures would increase due to the increased revenue transferred into the fund.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
Department of Transportation				
<u>Expenditures:</u>				
Grants	\$329,779	\$322,857	\$312,107	\$309,329
Transfers	\$329,779	\$322,857	\$312,107	\$309,329
TOTAL Expenditures	\$659,558	\$645,714	\$624,214	\$618,658
<u>Funding of Expenditures:</u>				
General Fund (01)	\$329,779	\$322,857	\$312,107	\$309,329
State Special Revenue (02)	\$329,779	\$322,857	\$312,107	\$309,329
<u>Revenues:</u>				
State Special Rev Transfer (0	\$329,779	\$322,857	\$312,107	\$309,329
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$329,779)	(\$322,857)	(\$312,107)	(\$309,329)

Effect on County or Other Local Revenues or Expenditures:

1. Grants distributed to local transit systems statewide would increase by the amount of reduction in general fund revenue.

Sponsor's Initials

Date

Budget Director's Initials

Date

**Dedication of Revenue 2011 Biennium****17-1-507-509, MCA.**

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

Individuals who are elderly or disabled do not pay currently. Motor vehicle taxes and fees placed in the general fund are distributed to transit systems to supplement services for elderly and disabled citizens. However, the entities or local programs that qualify (serving these citizens) do pay.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

None.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Yes .

- d) **Does the need for this state special revenue provision still exist? ☒ Yes ___No (Explain)**

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

This helps the legislature better understand how much is going towards this program.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

Yes, the legislature approved the tax originally and approved the transfer and allocation amount.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

By separating out the portions initially authorized and enacted for the program. The state accounting system could track this activity if adequate attributes were established under the general fund. Existing laws would need to be changed as this is an existing program.